

ARIZONA DEPARTMENT OF REVENUE

DATE: March 8, 2001

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS¹

JANUARY 2001 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>January 2001</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$290,483,264	\$1,348,700,692
Percent Change	8.8%	7.4%
Corporate Income Tax		
Net Collections	\$9,683,254	\$318,236,436
Percent Change	(55.9%)	20.8%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$281,159,966	\$1,746,213,557
Change	4.1%	6.9%
Total Big Three Tax Types		
Net Collections	\$581,326,484	\$3,413,150,685
Percent Change	2.4%	8.2%

¹ *The Office of Economic Research and Analysis has a new phone number. We can now be reached at (602) 542-4641. Although our phone number has changed, our extensions remain the same. Please update your records.*

TAX FACTS

January 2001

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	January 2001	January 2000	% Change
Gross Collections	\$103,690,175	\$106,597,443	(2.7)
Withholding	229,465,406	205,250,956	11.8
Refunds	(9,634,615)	(4,554,993)	111.5
Urban Revenue Sharing	(33,037,720)	(31,475,916)	5.0
Net Collections	\$300,166,500	\$275,817,490	8.8
	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	
Gross Collections	\$295,943,415	\$287,905,063	2.8
Withholding	1,381,376,036	1,281,442,345	7.8
Refunds	(97,354,719)	(93,055,945)	4.6
Urban Revenue Sharing	(231,264,040)	(220,331,411)	5.0
Net Collections	\$1,348,700,692	\$1,255,960,053	7.4

Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$0 for January and \$3,328 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. The law firm of Bonn, Lusher, Padden & Wilkins had obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This hold-back order only applies to years beginning with 1985. During the month of January no refunds were issued as a result of the FERC project, therefore, the amount of refunds for the fiscal year remains at \$16,225. Likewise, the amount withheld per the restraining order described above also remains at \$723 for the fiscal year.

Individual Income Tax Document Count

In calendar year 2000, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	38,571	1,334,940	74,284	107,508	57	41,476	332,144	15,867	185,561	1	2,130,409
%	1.8	62.7	3.5	5.0	0.0	1.9	15.6	0.7	8.7	0.0	

In calendar year 2001 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	599	12,092	291	326	1	332	12,423	2,052	2,990	0	31,106
%	1.9	38.9	0.9	1.0	0.0	1.1	39.9	6.6	9.6	0.0	

For tax year 2000 filed in 2001, 31,106 returns have been filed. Due to problems associated with 2000 reports, an accurate comparison can not be made between January 2001 and January 2000.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 11,613 returns in calendar year 2001 for tax year 2000 from filers who also have returns on record from calendar year 1999 with the same marital status. On average, these filers experienced a 9.4% growth in FAGI and a 15.5% increase in tax liability. More specifically, 23.3% of these filers experienced a decrease in tax liability; on average a decrease of 28.2% with a corresponding average decrease in FAGI of 11.9%. Filers showing an increase in tax liability totaled 6,252, or 53.8%, with an average FAGI increase of 21.3% and an average tax liability increase of 42.1%.

Average Individual Income Tax Refund

In calendar year 2001 taxpayers that chose to file their returns electronically were given the option to direct deposit their refund. This option was not available in calendar year 2000.

	<u>2001 CYTD</u>		<u>2000 CYTD</u>	<u>% Change</u>
Refunds &	\$5,905,848	Refunds	\$3,083,300	91.5%
Direct Deposits				
Average	\$365.35	Average	\$430.03	15.0%

"New" Filers in Calendar Year 1999

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2001. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 5,427 "new" returns have been filed thus far in 2001, representing approximately 8,798 persons, not including dependents. The average Federal Adjusted Gross Income for these 5,427 returns is \$14,816, with an average tax liability of \$124. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 13.1% had a married filing joint filing status, 1.1% claimed a 65 And Over Exemption and 69.8% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1999 was \$344.6 million, for an average of \$1,684. A total additional \$57.2 million in estimated payments was received as refunds on the 1998 tax returns applied to 1999 estimates, for an average of \$1,712. Due to processing issues, January and February's estimated payments have been combined and can not be released individually. Therefore, an accurate comparison can not be made between January 2001 and January 2000 payments. However, February 2001 cumulative figures can be compared against February 2000.

Jan-Feb 01	140ES payment	\$80,574,127	Cumulative	\$345,240,161
Feb 00	140ES payment	N/A	Cumulative	\$341,871,620
	Percent change	N/A		1.0%
Jan-Feb 01	Average payment	\$2,884	Cumulative	\$1,647
Feb 00	Average payment	N/A	Cumulative	\$1,686
	Percent change	N/A		(2.3%)
Jan-Feb 01	Applied refund	\$294,917	Cumulative	\$62,747,519
Feb 00	Applied refund	N/A	Cumulative	\$56,819,616
	Percent change	N/A		10.4%
Total Jan-Feb 01		\$80,869,044	Cumulative	\$407,987,680
Total Feb 00		N/A	Cumulative	\$398,691,236
	Percent change	N/A		2.3%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from September 1998 through December 1999, \$534,654,558 was received for the fourth quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 1999, which shows a growth rate of 10.1% in withholding payments over the fourth quarter of 1998. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2000	14.1%	4 th Quarter 2000	6.1%
2 nd Quarter 2000	10.6%	1 st Quarter 2001	10.3%
3 rd Quarter 2000	6.5%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fourth month of information available for the fourth quarter of 2000 was compared against the fourth month of collections for the fourth quarter of 1999. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2001	1,197	\$447,891	\$374.18
Calendar Year 2000	328	\$116,832	\$356.20
% Change	264.9%	283.4%	5.1%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 1999, filed in 2000, these options are available.

	January 2001	Year to Date
Check Off	\$14,475	\$14,475
Voluntary Donation	\$459	\$459
Number of Returns	2,391	2,391

Contributions on the Individual Income Tax Return

Through January 2001, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	42	\$517	\$12.31
Child Abuse	80	\$1,229	\$15.36
Special Olympics	21	\$255	\$12.14
Neighbors Helping	15	\$159	\$10.60
AID to Education	4	\$78	\$19.50
Domestic Violence Shelter	44	\$543	\$12.34
Democratic Party	4	\$13	\$3.25
Republican Party	1	\$5	\$5.00
Libertarian Party	0	\$0	\$0.00
Reform Party	0	\$0	\$0.00

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	January 2001	January 2000	% Change
Gross Collections	\$24,925,998	\$24,412,037	2.1%
Refunds	(\$15,242,745)	(\$2,456,862)	520.4%
Net Collections	\$9,683,254	\$21,955,175	(55.9%)

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Gross Collections	\$413,296,990	\$329,339,540	25.5%
Refunds	(\$95,060,554)	(\$65,983,214)	44.1%
Net Collections	\$318,236,436	\$263,356,326	20.8%

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

January 2001	\$17,620,895	Calendar Year Total	\$17,620,895
January 2000	\$19,753,706	Calendar Year Total	\$19,753,706
% Change	(10.8%)	% Change	(10.8%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 2001 and for the fiscal year.

Size of Payment	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
January 2001	159	17	16	4	4	0	200	(2.4)
January 2000	161	20	17	5	2	0	205	
CY 2001	159	17	16	4	4	0	200	(2.4)
CY 2000	161	20	17	5	2	0	205	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 12.2% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	95 & Prior	96	97	98	99	00
FY 99/00	5.0	1.5	4.4	62.8	26.1	0.3
Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	10.2	7.1	2.7	74.9	5.1	0.0

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

January 2001	\$2,613,050	Calendar Year Total	\$2,613,050
January 2000	<u>\$5,259,565</u>	Calendar Year Total	<u>\$5,259,565</u>
% Change	(50.3%)	% Change	(50.3%)

The figures shown above for the 1999 returns are most meaningful when compared to 1998 returns received during the same period of time in the previous year. Through December 1999, the Arizona Department of Revenue received 94,415 documents with a fiscal year-end of 1998. This represents a 3.3% increase in corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2000/01 is based on net income tax collections in Fiscal Year 1998/1999. Amounts returned for January 2001 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Due to new legislation, mining severance is now 100% distribution base. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	January 2001	January 2000	% change
Distribution Base	\$120,785,783	\$117,964,884	2.4
Non shared	221,902,056	214,431,905	3.5
Use Tax	17,756,984	15,101,676	17.6
Other Revenues	<u>45,606,487</u>	<u>42,257,276</u>	<u>7.9</u>
Total Collections	\$406,051,310	\$389,755,741	4.2

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% change
Distribution Base	\$725,613,221	\$688,724,577	5.4
Non shared	1,380,421,851	1,296,766,044	6.5
Use Tax	116,636,048	99,982,969	16.7
Other Revenues	<u>275,894,317</u>	<u>253,103,522</u>	<u>9.0</u>
Total Collections	\$2,498,565,437	\$2,338,577,112	6.8

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	January 2001	January 2000	% change
Retained by State	\$281,159,966	\$269,981,661	4.1
Returned to Counties	49,028,090	47,934,769	2.3
Returned to Cities	30,256,767	29,582,036	2.3
Other	45,606,487	42,257,276	7.9
Total Collections	\$406,051,310	\$389,755,741	4.2

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% change
Retained by State	\$1,746,213,557	\$1,633,808,998	6.9
Returned to Counties	294,631,359	279,299,871	5.5
Returned to Cities	181,826,204	172,364,721	5.5
Other	275,894,318	253,103,522	9.0
Total Collections	\$2,498,565,438	\$2,338,577,112	6.8

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	January 2001	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5%	\$714,723	64.3	\$2,784,698	84.6
Non-Metal Mining/Oil & Gas	3.125%	527,636	(7.3)	4,162,471	2.8
Utilities	5%	21,286,076	7.7	182,563,991	10.3
Communications	5%	13,256,425	36.9	84,786,833	23.1
Railroads/Aircraft	5%	144,063	32.7	913,768	3.5
Private Car/Pipelines	5%	95,710	91.3	618,226	605.6
Publishing	5%	557,524	8.3	3,554,935	8.4
Printing	5%	1,701,006	(6.3)	11,881,748	(2.7)
Restaurants/Bars	5%	27,574,358	7.8	175,299,001	6.6
Amusements	5%	3,100,296	6.1	19,803,036	(2.7)
Commercial Lease	0%	(1,398)	N/A	3,704,881	(64.9)
Rental of Personal Property	5%	15,441,631	6.8	103,922,097	6.8
Contracting	3.75% - 5%	48,214,717	(3.1)	331,985,015	2.9
Feed Wholesale	Repealed	0	N/A	(89)	N/A
Retail	5%	202,148,144	3.2	1,123,312,760	6.5
Advertising	0	0	N/A	0	N/A
Mining Severance*	2.5%	458,364	(33.6)	3,213,635	(63.7)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	107	(88.1)	723	(89.4)
Hotel/Motel	5.5%	6,955,416	9.6	50,581,636	6.7
Membership Camping	5%	21,998	55.0	56,533	56.9
Use/Use Inventory	5%	17,756,984	17.6	116,636,048	16.7
Rental Occupancy Tax	3%	12,992	18.7	71,746	51.9
Jet Fuel Tax	\$.0305/\$.0105 gal	461,767	6.4	2,758,196	18.7
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	416,156	2.6	2,862,579	0.5
Poison Control Fund	----	153,921	2.6	1,058,762	0.5
911 Excise	1.25%	705,306	10.4	4,716,986	5.4
911 Wireless Service	\$0.10 monthly per activated service	197,564	79.7	1,188,090	57.1
Total		\$361,907,484	3.8	\$2,232,438,306	6.6

*Beginning with December 1999 the mining severance tax base has changed.

The Use/Use Inventory category shown above includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class²

	January 2001	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$14,294,455	64.3	\$55,693,964	84.6
Non-Metal Mining/Oil & Gas	16,884,345	(7.3)	133,199,085	2.8
Utilities	425,721,512	7.7	3,651,279,827	10.3
Communications	265,128,507	36.9	1,695,736,669	23.1
Railroads/Aircraft	2,881,257	32.7	18,275,354	3.5
Private Car/Pipelines	1,914,199	91.3	12,364,512	605.6
Publishing	11,150,475	8.3	71,098,695	8.4
Printing	34,020,118	(6.3)	237,634,962	(2.7)
Restaurants/Bars	551,487,153	7.8	3,505,980,027	6.6
Amusements	62,005,925	6.1	396,060,713	(2.7)
Commercial Lease	(520,466)	N/A	175,314,247	(62.7)
Rental of Personal Property	308,832,623	6.8	2,078,441,934	6.8
Contracting	964,294,335	(3.1)	6,636,892,770	2.9
Feed Wholesale	(2)	N/A	(19,013)	N/A
Retail	4,042,962,887	3.2	22,466,256,006	6.5
Advertising	0	N/A	0	N/A
Mining Severance*	18,334,576	(33.6)	128,545,392	(63.7)
Timber Severance	71	N/A	134	N/A
Hotel/Motel	126,462,104	9.6	919,666,115	6.7
Membership Camping	439,952	55.0	1,130,661	56.9
Use/Use Inventory	355,037,010	17.6	2,330,426,161	16.8
Rental Occupancy Tax	433,050	18.7	2,391,522	47.6
Total	\$7,201,764,086	2.2	\$44,516,369,740	5.8

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In January 2001, 15,504,936 gallons of jet fuel were taxed, a 5.5% increase from the 14,692,038 reported for January 2000. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in January 2001 was \$1,155,773 a 0.7% increase from the \$1,126,692, claimed in January 2000. Accounting credits claimed-to-date in FY 00/01 equals \$8,394,207 a 3.7% increase from the \$8,091,931 a claimed during the same period in FY 99/00.

²These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

*Beginning with December 1999, the mining severance tax base has changed.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>January 2001</u>	<u>January 2000</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$166,947,997	\$151,150,984	10.5
5311-5399	general merchandise stores	556,822,013	574,318,926	(3.0)
5411-5499	food stores (no food sales)	285,536,713	292,828,491	(2.5)
5511-5521	motor vehicle dealers	535,154,705	493,469,410	8.4
5531-5599	misc. automotive, motorcycle & boat stores	152,483,160	151,551,346	0.6
5611-5699	apparel & accessory stores	329,304,904	314,257,615	4.7
5712-5733	furniture, home furnishings & equipment stores	212,225,757	200,471,331	5.9
5912-5949	misc. retail stores	405,088,481	413,327,615	(2.0)
TOTAL		\$4,042,962,887	\$3,916,714,139	3.2

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>FY 2001</u>	<u>FY 2000</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,155,049,003	\$1,115,501,502	3.5
5311-5399	general merchandise stores	2,357,879,433	2,262,547,700	4.2
5411-5499	food stores (no food sales)	1,766,456,762	1,715,210,940	3.0
5511-5521	motor vehicle dealers	3,943,616,252	3,579,280,006	10.2
5531-5599	misc. automotive, motorcycle & boat stores	1,074,846,848	1,057,218,539	1.7
5611-5699	apparel & accessory stores	1,395,143,799	1,303,968,186	7.0
5712-5733	furniture, home furnishings & equipment stores	1,236,056,312	1,170,367,971	5.6
5912-5949	misc. retail stores	1,611,363,298	1,595,369,737	1.0
TOTAL		\$22,466,255,206	\$21,103,930,890	6.5

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2001 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$240,901	\$393,178	0.8%	\$2,797,265	(18.5%)
Cochise	1,756,400	949,306	1.9%	5,597,805	5.5%
Coconino	2,627,530	1,248,753	2.5%	8,462,001	1.9%
Gila	818,802	406,444	0.8%	2,553,518	9.4%
Graham	388,607	237,164	0.5%	1,447,988	3.8%
Greenlee	747,668	284,060	0.6%	1,813,416	(1.9%)
La Paz	247,359	138,729	0.3%	843,431	0.9%
Maricopa	82,934,179	31,469,361	64.2%	186,690,143	6.5%
Mohave	2,550,512	1,207,878	2.5%	7,620,256	1.7%
Navajo	1,540,079	749,071	1.5%	4,745,672	2.8%
Pima	18,617,341	7,755,780	15.8%	46,278,572	5.4%
Pinal	1,908,422	1,128,806	2.3%	7,284,060	7.9%
Santa Cruz	837,465	348,686	0.7%	1,945,542	6.5%
Yavapai	2,829,451	1,521,165	3.1%	9,798,230	3.5%
Yuma	2,741,065	1,189,708	2.4%	6,753,461	3.7%
Total	\$120,785,783	\$49,028,090		\$294,631,359	5.5%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2001 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during December 2000 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects
Apache		\$77,359						
Cochise		\$507,684						
Coconino		\$745,716	\$445,082					
Gila	\$240,082	\$227,660					\$7	
Graham		\$117,222						
Greenlee		\$57,068						
La Paz		\$68,812	\$68,812					
Maricopa	\$26,263,687		\$9,363,663	\$420,017	\$87,038			
Mohave		\$365,002						
Navajo		\$430,692						
Pima				\$108,967		\$24,450		
Pinal	\$636,120	\$610,337						
Santa Cruz		\$231,003						
Yavapai		\$931,881	\$368,745					
Yuma		\$779,967	\$779,786					\$58

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in January 2001. The table compares the receipts to January 2000 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	January 2001	January 2000	% Change
Spirituos	\$2,194,950	\$2,275,831	(3.6)
Vinous	1,060,549	847,216	25.2
Malt	1,657,305	1,885,640	(12.1)
Cigarette	13,152,240	13,471,661	(2.4)
Other Tobacco	279,157	295,584	(5.6)
Tobacco Licenses	75	125	(40.0)
Total	\$18,344,275	\$18,776,057	(2.3)

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Spirituos	\$12,490,757	\$11,992,850	4.2%
Vinous	4,968,190	5,491,437	(9.5%)
Malt	12,350,810	12,394,590	(0.4%)
Cigarette*	90,538,881	92,119,283	(1.7%)
Other Tobacco	1,972,490	2,160,612	(8.7%)
Tobacco Licenses	5,025	6,500	(22.7%)
Total	\$122,326,154	\$124,165,271	(1.5%)

*Through January 2001, \$386,100 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	January 2001	FY (00/01)
Spirituos	\$1,536,465	\$8,743,530
Vinous	264,688	1,239,262
Malt	414,326	3,087,702
Cigarette	3,583,970	25,015,301
Other Tobacco	43,269	305,736
Tobacco Licenses	75	5,025
Total	\$5,842,793	\$38,396,555

Other dedicated revenues from luxury taxes:

	January 2001	FY (00/01)
Correction Fund revenues	\$2,288,283	\$14,584,727
Health Care Fund revenues	9,312,892	63,757,690
Wine Promotional Fund revenues	1,798	11,140
Drug Treatment & Education Fund revenues	642,537	3,989,768
Corrections Revolving Fund revenues	255,972	1,586,273

Estate Tax

	January 2001	\$6,364,472	Fiscal year To Date	\$47,333,994
	January 2000	\$8,074,313	Fiscal year To Date	\$43,267,079
% Change		(21.2%)	% Change	9.4%

Private Car

	January 2001	\$947	Fiscal year To Date	\$1,349,677
	January 2000	\$5,875	Fiscal year To Date	\$1,476,728
% Change		(83.9%)	% Change	(8.6%)

Bingo

	January 2001	\$91,359	Fiscal year To Date	\$398,052
	January 2000	\$86,079	Fiscal year To Date	\$404,930
% Change		6.1%	% Change	(1.7%)

Unclaimed Property

	January 2001	\$189,696	Fiscal year To Date	(\$681,504)
	January 2000	\$17,581,157	Fiscal year To Date	\$15,337,687
% Change		98.9%	% Change	N/A

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2001 for Tax Year 2000
Through January 2001

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	*	*	*	*	*	*	*	*	*	*
\$0-\$5,000	908	16.7%	\$3,399	\$0	3.3%	59.4%	37.1%	0.2%	0.4%	50.2%
\$5,000-\$10,000	1,937	35.7%	\$7,567	\$17	6.8%	44.8%	48.3%	0.1%	0.8%	62.1%
\$10,000-\$15,000	1,799	33.1%	\$12,396	\$47	9.8%	28.4%	61.6%	0.2%	2.0%	75.1%
\$15,000-\$20,000	1,417	26.1%	\$17,269	\$100	15.2%	20.4%	64.2%	0.1%	1.1%	80.5%
\$20,000-\$25,000	781	14.4%	\$22,225	\$214	20.0%	21.0%	58.8%	0.3%	0.4%	79.3%
\$25,000-\$30,000	378	7.0%	\$27,286	\$351	25.6%	24.0%	50.4%	0.0%	0.3%	74.1%
\$30,000-\$40,000	321	5.9%	\$33,874	\$527	33.3%	28.3%	38.3%	0.0%	1.6%	68.8%
\$40,000-\$50,000	108	2.0%	\$44,641	\$849	38.0%	29.6%	32.4%	0.0%	0.0%	63.0%
\$50,000-\$75,000	88	1.6%	\$57,951	\$1,163	55.7%	15.9%	27.3%	1.1%	0.0%	77.3%
\$75,000-\$100,000	13	0.2%	\$88,968	\$1,604	61.5%	23.1%	15.4%	0.0%	7.7%	38.5%
\$100,000-\$200,000	9	0.2%	\$117,837	\$2,474	66.7%	11.1%	22.2%	0.0%	11.1%	88.9%
\$200,000-\$500,000	*	*	*	*	*	*	*	*	*	*
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	5,427		\$14,816	\$124	13.1%	33.5%	53.1%	0.2%	1.1%	69.8%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2000 FOR TAX YEAR 1999

Total	223,341		\$18,902	\$336	18.9%	60.2%	18.5%	2.4%	7.5%	30.2%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
January 2001

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,629,993	168,176
Eagar	\$43,760	4,515	Surprise	104,065	10,737
Springerville	18,609	1,920	Tempe	1,490,862	153,821
St. Johns	32,566	3,360	Tolleson	42,995	4,436
<u>Cochise County</u>			Wickenburg	46,183	4,765
Benson	\$39,883	4,115	Youngtown	26,111	2,694
Bisbee	62,999	6,500	<u>Mohave County</u>		
Douglas	143,250	14,780	Bullhead City	\$261,107	26,940
Huachuca City	18,803	1,940	Colorado City	30,918	3,190
Sierra Vista	366,510	37,815	Kingman	162,528	16,769
Tombstone	13,618	1,405	Lake Havasu City	351,681	36,285
Willcox	34,242	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$49,139	5,070
Flagstaff	\$528,030	54,480	Pinetop-Lakeside	31,994	3,301
Fredonia	12,115	1,250	Show Low	67,729	6,988
Page	77,053	7,950	Snowflake	39,932	4,120
Williams	26,072	2,690	Taylor	25,733	2,655
<u>Gila County</u>			Winslow	104,482	10,780
Globe	\$68,407	7,058	<u>Pima County</u>		
Hayden	8,820	910	Marana	\$59,258	6,114
Miami	19,772	2,040	Oro Valley	190,519	19,657
Payson	106,653	11,004	Sahuarita	22,399	2,311
Winkelman	6,552	676	South Tucson	52,842	5,452
<u>Graham County</u>			Tucson	4,301,614	443,823
Pima	\$17,931	1,850	<u>Pinal County</u>		
Safford	85,030	8,773	Apache Junction	\$189,240	19,525
Thatcher	38,352	3,957	Casa Grande	202,373	20,880
<u>Greenlee County</u>			Coolidge	68,378	7,055
Clifton	\$29,028	2,995	Eloy	86,406	8,915
Duncan	7,124	735	Florence	110,394	11,390
<u>La Paz County</u>			Kearny	23,794	2,455
Parker	\$28,592	2,950	Mammoth	18,997	1,960
Quartzsite	19,433	2,005	Superior	33,777	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$220,701	22,771	Nogales	\$200,192	20,655
Buckeye	47,075	4,857	Patagonia	9,159	945
Carefree	22,156	2,286	<u>Yavapai County</u>		
Cave Creek	29,813	3,076	Camp Verde	\$72,352	7,465
Chandler	1,282,858	132,360	Chino Valley	60,848	6,278
El Mirage	55,643	5,741	Clarkdale	25,200	2,600
Fountain Hills	137,106	14,146	Cottonwood	63,435	6,545
Gila Bend	16,932	1,747	Jerome	4,458	460
Gilbert	575,115	59,338	Prescott	301,291	31,086
Glendale	1,769,938	182,615	Prescott Valley	155,492	16,043
Goodyear	89,653	9,250	Sedona	86,202	8,894
Guadalupe	52,900	5,458	<u>Yuma County</u>		
Litchfield Park	36,239	3,739	San Luis	\$77,789	8,026
Mesa	3,277,092	338,117	Somerton	56,447	5,824
Paradise Valley	120,648	12,448	Wellton	10,913	1,126
Peoria	722,698	74,565	Yuma	608,592	62,792
Phoenix	11,140,362	1,149,417			
Queen Creek	29,774	3,072	TOTAL	\$33,037,720	3,408,697

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
January 2001

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,492,788	168,176
Eagar	\$40,077	4,515	Surprise	95,305	10,737
Springerville	17,043	1,920	Tempe	1,365,368	153,821
St. Johns	29,825	3,360	Tolleson	39,375	4,436
<u>Cochise County</u>			Wickenburg	42,296	4,765
Benson	\$36,526	4,115	Youngtown	23,913	2,694
Bisbee	57,696	6,500	<u>Mohave County</u>		
Douglas	131,192	14,780	Bullhead City	\$239,129	26,940
Huachuca City	17,220	1,940	Colorado City	28,316	3,190
Sierra Vista	335,659	37,815	Kingman	148,847	16,769
Tombstone	12,471	1,405	Lake Havasu City	322,078	36,285
Willcox	31,360	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$45,003	5,070
Flagstaff	\$483,583	54,480	Pinetop/Lakeside	29,301	3,301
Fredonia	11,095	1,250	Show Low	62,028	6,988
Page	70,567	7,950	Snowflake	36,571	4,120
Williams	23,877	2,690	Taylor	23,567	2,655
<u>Gila County</u>			Winslow	95,687	10,780
Globe	\$62,649	7,058	<u>Pima County</u>		
Hayden	8,077	910	Marana	\$54,270	6,114
Miami	18,108	2,040	Oro Valley	174,482	19,657
Payson	97,675	11,004	Sahuarita	20,513	2,311
Winkelman	6,000	676	South Tucson	48,394	5,452
<u>Graham County</u>			Tucson	3,939,526	443,823
Pima	\$16,421	1,850	<u>Pinal County</u>		
Safford	77,872	8,773	Apache Junction	\$173,311	19,525
Thatcher	35,124	3,957	Casa Grande	185,338	20,880
<u>Greenlee County</u>			Coolidge	62,623	7,055
Clifton	\$26,585	2,995	Eloy	79,133	8,915
Duncan	6,524	735	Florence	101,102	11,390
<u>La Paz County</u>			Kearny	21,791	2,455
Parker	\$26,185	2,950	Mammoth	17,398	1,960
Quartzsite	17,797	2,005	Superior	30,934	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$202,123	22,771	Nogales	\$183,341	20,655
Buckeye	43,112	4,857	Patagonia	8,388	945
Carefree	20,291	2,286	<u>Yavapai County</u>		
Cave Creek	27,304	3,076	Camp Verde	\$66,262	7,465
Chandler	1,174,873	132,360	Chino Valley	55,726	6,278
El Mirage	50,959	5,741	Clarkdale	23,078	2,600
Fountain Hills	125,565	14,146	Cottonwood	58,096	6,545
Gila Bend	15,507	1,747	Jerome	4,083	460
Gilbert	526,704	59,338	Prescott	275,930	31,086
Glendale	1,620,954	182,615	Prescott Valley	142,403	16,043
Goodyear	82,106	9,250	Sedona	78,946	8,894
Guadalupe	48,447	5,458	<u>Yuma County</u>		
Litchfield Park	33,189	3,739	San Luis	\$71,242	8,026
Mesa	3,001,243	338,117	Somerton	51,696	5,824
Paradise Valley	110,493	12,448	Wellton	9,995	1,126
Peoria	661,865	74,565	Yuma	557,363	62,792
Phoenix	10,202,620	1,149,417	TOTAL	\$30,256,767	3,408,697
Queen Creek	27,268	3,072			

*The Office of Economic Research & Analysis
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